

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6835**

**BILL NUMBER:** HB 1301

**NOTE PREPARED:** Jan 17, 2012

**BILL AMENDED:**

**SUBJECT:** Prescription Drugs for the Visually Impaired.

**FIRST AUTHOR:** Rep. Fry C

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides a tax credit against state tax liability to a pharmacy that participates in a pilot project to incorporate various assistive technologies into the packaging of prescriptions for the blind or visually impaired.

The bill requires the Division of Disability and Rehabilitative Services (DDRS) to establish and implement a pilot project for prescription drug labeling for pharmacy customers who are blind or visually impaired. It also specifies requirements for the labeling.

The bill allows participating pharmacies to fill prescriptions for individuals covered under state employee health plans.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** *Summary:* The fiscal impact of this bill will depend on the number of prescriptions that are requested to be labeled with assistive technologies presented by vision-impaired or blind individuals to 10 pilot pharmacies. The potential fiscal impact from the tax credit is indeterminable but could be minimal given that only 10 pharmacies will participate in the pilot project. The tax credit for the cost of the equipment, supplies, or other tangible property is available to the pilot pharmacies regardless of the level of demand for the technology.

### Additional Information-

*DDRS Pilot Project:* The bill would require the DDRS to establish a pilot project January 1, 2013. DDRS is required to select 10 total pharmacies; 2 each in Marion, Lake, Allen, Hamilton, and St. Joseph Counties. The bill does not specify any other requirements for the DDRS in relation to the pilot project. The expense of any activities undertaken by DDRS to manage, enforce the requirements of the pilot, or evaluate the pilot would depend on administrative actions.

This bill specifies that upon the request of a customer who is blind or visually impaired, a pharmacist filling prescriptions at a pilot pharmacy is required to provide a prescription for a legend drug with label information that is provided through either braille, a recorded audio device, or other audio technology. Required label information includes the following: (1) name, address, and phone number of the dispensing pharmacy; (2) date the prescription was dispensed; (3) pharmacist's script file number; (4) name of the prescribing practitioner; (5) name or species of the patient; and (6) directions for use. The bill addresses the needs of patients that need assistive technologies. Patients that might benefit from label formats that include printing in larger, darker fonts, or tactile assists would not be included for the pilot. Pilot pharmacies would be required to comply with a patient's request for a specified technology or refer the patient to a pharmacy that is in the patient's health insurance network that can comply with the patient's request. The bill does not specify any payment for the assistive technology labels or containers other than the tax credit discussed below. (There are a variety of audio products on the market for vision-impaired or blind individuals that are reusable or could be used for multiple purposes.)

*Department of State Revenue (DOR):* The DOR would incur some administrative expenses relating to the revision of tax forms, instructions, and computer programs to reflect the tax credit for participating pharmacies. The DOR's current level of resources should be sufficient to implement this change.

*Background Information:* Talking prescription bottles are available in popular vial sizes that can have information recorded by anyone to instruct the patient on the contents and how to take the medication. These products are reusable and cost around \$40. Another technology encodes the information in a label that is permanently attached to the container at the pharmacy. The patient accesses the information with a reader that is supplied free of charge by the vendor, Envision. There is a \$500 software setup charge for the pharmacy, and the disposable labels cost \$3 each for this product.

**Explanation of State Revenues: Summary** - The bill establishes an income tax credit for pharmacies participating in the DDRS pilot project for the blind and visually impaired. The credit would apply to expenditures made by a pilot project pharmacy for equipment, supplies, and other tangible property to meet the requirements of the pilot project. The potential fiscal impact from the tax credit is indeterminable but could be minimal given that only 10 pharmacies will participate in the pilot project. Since the tax credit is effective beginning in tax year 2013, the fiscal impact from the credit would commence in FY 2014.

*Background Information* - The credit may be claimed against the individual or corporate adjusted gross income (AGI) tax, the financial institutions tax, or the insurance premiums tax. The tax credit is nonrefundable but excess credits may be carried over and used in subsequent tax years. The tax credit may not be carried back.

### **Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DDRS, FSSA; DOR.

**Local Agencies Affected:**

**Information Sources:** American Foundation for the Blind, “Guidelines for Prescription labeling and Consumer Medication Information for people with Vision Loss” at: <http://www.afb.org/>.

**Fiscal Analyst:** Kathy Norris, 317-234-1360; Jim Landers, 317-232-9869.